

## Realty Trust Review

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### INVESTMENT OUTLOOK AND STATISTICAL ISSUE

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### NEWS NOTES: FIVE TRUSTS HIT BY \$23.4 MILLION DECISION; PNB MTG. FALLS

Five realty trusts have been hit by a damage award totaling a potential \$23.4 million. The exact amount isn't clear because the court didn't specify interest to be added atop an \$18 million award. Most lawyers however expect interest to be 30% of principal (i.e., five years at 6%).

The five trusts and the impact upon each are:

Trust	Commit.	Award	Per Sh.
First Memphis...	\$2.0M	\$2.6M	\$2.25
First Newport...	3.0	3.9	1.67
Newcorp (Cousins)	3.0	3.9	1.00
No. Amer. Mtg...	6.5	8.5	1.23
PNB Mtg. & Rl...	3.5	4.6	1.87
TOTALS....	\$18.0M	\$23.4M	

The five were among 15 lenders who joined in 1971 to issue a \$45 million interim mortgage commitment on a 44-story office tower, known as 1166 Avenue of the Americas, then being started in Manhattan. Four New York City banks provided construction financing, but when the building was completed in 1974, the interim lenders (led by North American) refused to fund their commitment. The bank construction lenders then sued for damages.

The decision noted that by the time the building was completed, not a single tenant had been found despite diligent leasing efforts. Moreover, the takeout commitment "contained no requirement that leases in any number would be in force at the closing date." Faced with the prospect that if the takeout lenders funded the loan they would have to fore-

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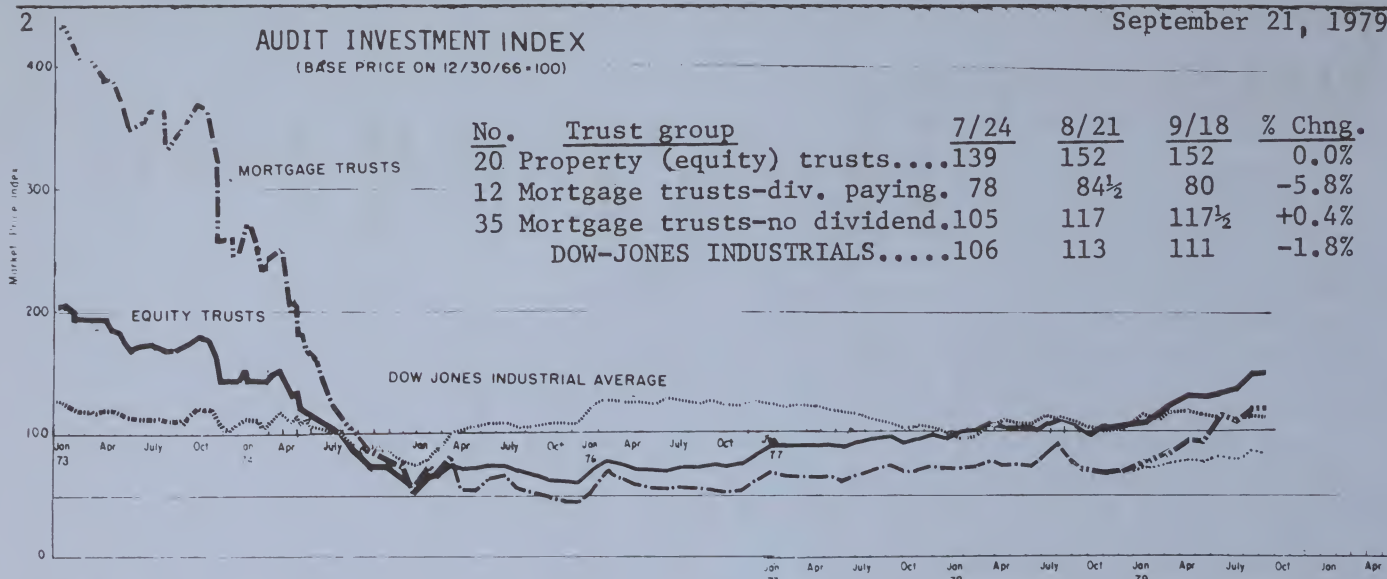
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close in 30 days, they met in Aug. 1974 and were of "the unanimous opinion...to find some reason not to close." A "lack of enthusiasm" by the NAMI group's lawyers followed which led to the failure to close in Oct. 1974. The judge's verdict: the standby lenders "knowingly and intentionally breached the commitment."

The trusts involved say they expect to appeal the decision but to do so they apparently would have to post bond in the amount of the award, under court rules. This doubtless will impose some burden on the trusts, and outcome is obviously uncertain.

PNB Mtg. & Realty has been hit the hardest in the market, falling about 10% when news first came out. PNB's merger agreement with Sutro Mtg. Inv. gave Sutro trustees the sole discretion to back out of the agreement in case of an adverse judgment; they voted 7 to 2 to go ahead with it, postponing the shareholders meeting pending dissemination of information.

First Memphis shares came off a full 1 point, or down 17% on its 5-3/4 price, on the news but reaction seems overdone even though this is the biggest share exposure. The lawsuit is the last in which First Memphis is involved and the fact that its shares have no overhanging dilution increases the shares' attraction.

The other three weren't affected at all by the news, leaving us with the distinct impression that the market may be discounting the decision too lightly.

We'd avoid them for awhile until the legal dust settles.

#### INVESTMENT OUTLOOK: REALTY TRUST STOCKS FLAT WHILE INTEREST RATES STILL HIGHER

Even before the Federal Reserve Board boosted the discount rate to a new record 11% on September 19, following the previous day's boost to 10½%, Chemical Bank raised its prime lending rate to 13¼%. Indications are that the Fed will go still higher to tighten credit,

Stock prices for this issue of Realty Trust Review are as of September 18, the day of the Fed increase to 10½%. Closing prices showed stocks essentially flat for the month, as trust stocks were up 1.0% while the Dow-Jones Industrials were off 1.3%. Again, the realty trust stocks have not proved especially sensitive to continued increases in the interest rate, but selectivity remains the key word in choosing stocks.

The stocks appear sensitive to earnings and dividend news; witness Denver REIA, up 10.4%, Florida Gulf, up 13.4%, Flatley, up 14.5%, and Dominion, up 26.8%. But good news outweighs poor performance: Riviere Realty up 15.8% on the sale of a D.C. office building for \$1M capital gain.

PORTFOLIO: Audit and its employees hold minor positions of less than 1,000 sh. in Barnes, First Newport, Metropex RI., Midland Mtg., Moraga Corp., PNB Mtg. & Rlty., and United Realty.



# DIVIDEND TRENDS: FRANKLIN REALTY RESUMES, EIGHT OTHERS BOOST PAYOUT

Franklin Realty, which omitted its dividend in June, 1974, has declared a 6¢/sh. dividend payable October 15. The trust has been profitable since mid-1977 as results have benefited from falling vacancies and expanding real estate services.

Realty & Mtg. Pac.'s 57% boost led the gainers in the past month; RAMPAC's recent strong results reflect an expanding portfolio and good markets (see p. 7). Gould Investor raised its previously declared Sept. dividend 36% to 30¢/sh.; Gould anticipates record results for its Sept. fiscal year. Denver REIA raised its dividend 25% to 25¢/sh. reflecting its booming operations. Similarly, Flatley Realty reflected the sharp increase in its fiscal 1979 results

Trust	Record date	--Quarterly dividend/share--			-% Chng. from-	
		Latest	Previous	Year-ago	Prev.Q	Yr-ago
Consolidated Capital..9/17		\$0.1717M	\$0.1717M	\$0.17M	UC	+ 1%
Del-Val Financial....9/17		0.12M	0.12M	0.11½M	UC	+ 4
Denver REIA.....9/14		0.25	0.20	0.18	+25	+39
Federal Realty Tr....9/25		0.35	0.34	0.34	+ 3	+ 3
First Continental....9/20		0.28	0.28+7cEX	0.25	UC	+12
First Union.....10/19		0.30	0.30	0.27	UC	+11
Flatley Realty.....9/7		0.30YE	---	0.20YE	---	+50
Florida Gulf Realty...9/6		0.32	0.32	0.32	UC	UC
FRANKLIN REALTY.....10/1		0.06	None	None	---	---
Fraser Mortgage.....10/1		0.28	0.28	0.28	UC	UC
GREIT Realty.....10/17		0.10	0.10	0.10	UC	UC
Gould Investor.....9/14		0.30b	0.22	0.22	+36	+36
Hubbard REI.....9/24		0.43	0.41	0.38	+ 5	+13
MassMutual Mtg.....9/19		0.35	0.34	0.34	+ 3	+ 3
MONY Mtg.....9/28		0.23	0.23	0.23	UC	UC
Mortgage Gr. Inv.....9/28		0.24	0.22	0.16	+ 9	+50
New Plan Realty.....9/14		0.07M	0.07M	0.053M	UC	+31
Pacific Realty Tr....9/20		0.25	0.25	0.20	UC	+25
Real Estate Inv. Prop.10/1		0.32	0.32	0.26½	UC	+21
Realty & Mtg. Pac.....9/28		0.55	0.35	0.32	+57	+72
Realty Income.....8/31		0.35	0.35	0.35	UC	UC
Western Mortgage.....10/1		0.05	0.05	None	UC	---

UC=Unchanged. M=Monthly. S=Semiannual. YE=Year-end. EX=Year-end extras.  
NC=Not compared. Trusts reducing dividend from previous quarter underlined.  
Trusts resuming dividends IN CAPS. a- Adjusted for stock splits. b- Gould increased its previously announced dividend 8c.

by boosting its year-end dividend 50%, to 30¢. Other trusts which raised their payout in the last month were Federal Realty, Hubbard REI, MassMutual Mortgage, and Mortgage Growth.

## COMPARATIVE TRUST GROUP AVERAGE 09/18/79

GROUP	QUAL	NON-QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	-% CHNG FROM-- MON AGO	JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY-LARGE	19	0	19	2200	15.74	1.27	1.37	17.96	1.7	31.9	13.1	7.1	14.1	8.7	842.7
-SMALL	7	0	7	978	13.56	1.28	1.58	13.59	2.5	25.0	8.6	9.4	0.3	11.7	87.4
-SUBOR LAND	3	0	3	1862	16.32	1.31	1.72	15.63	3.5	34.9	9.1	8.4	-4.3	10.5	77.0
AVERAGE 3 PROP GROUPS			29	1869	15.27	1.27	1.45	16.66	2.0	30.8	11.4	7.7	9.1	9.5	1007.1
PROP & MTG COMBINATION	13	10	23	2204	11.33	0.47	0.65	10.63	4.3	57.8	16.1	4.5	-6.2	5.8	693.7
SHORT-TERM MTG	11	0	11	1757	15.28	0.72	0.90	10.87	-2.2	28.9	12.1	6.7	-28.9	5.9	222.2
LONG-TERM MTG/PROP	13	0	13	3554	15.08	1.06	1.37	10.86	-2.4	18.2	7.9	9.7	-28.0	9.1	480.7
MTG/FCLSD PROP-MISC	4	5	9	3289	5.11	0.00	0.43	4.68	-2.5	75.6	10.9	0.0	-8.3	8.4	139.7
-BANK	0	14	14	2491	5.09	0.01	0.38	4.67	0.2	73.7	12.3	0.3	-8.2	7.5	138.1
-INDEPEND	0	38	38	3397	2.48	0.00	0.47	3.36	0.1	62.3	7.2	0.0	35.8	18.8	310.9
AVERAGE 3 MTG/FCLSD PROP			61	3173	3.46	0.00	0.44	3.86	-0.4	67.6	8.8	0.1	11.4	12.7	588.7
OVERALL AVERAGE	70	67	137	2657	9.33	0.51	0.81	8.93	1.0	39.5	10.9	5.7	-4.3	8.8	2932.4
DOW-JONES INDUSTRIAL AVERAGE						128.99	874.15	-1.3	8.6	6.8	5.7				

\*LATEST QUARTER ANNUALIZED

## STRAIGHT BONDS

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ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD	ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD
BAY COLONY PROP-B	PS	8.50	'89	17.0	70.75	-0.3	12	MTG INV WASH-BG	OC	12.00	'80	15.0	89.00	1.1	13
BAY COLONY PROP-C	NY	8.50	'81F	6.8	96.00	2.1	8	NATIONWIDE RE-C	OC	7.00	'91	6.5	64.00	3.2	10
BT MTG INV-C	OC	5.75	'82	19.4	73.00	0.0	7	NO AMER MTG-B	PS	8.50	'87	12.1	74.00	2.8	11
CHASE MAN TR-A	OC	7.88	'78F	36.7	80.00	-2.9	VJ	REALTY REFUND	NY	11.38	'98	20.0	97.88	0.4	11
CHASE MAN TR-C	OC	7.50	'83	41.2	50.00	0.0	VJ	REALTY REFUND-C	NY	12.00	'98	15.0	97.13	-2.3	12
CITIZN & SO RLY-CD#	PS	3.00	'93	3.4	80.00	-2.3	3	SAUL (B.F.)-C	NY	8.50	'80	25.0	97.50	0.4	8
CITIZNS MTG INV-B	OC	8.50	'80	20.0	41.00	0.0	VJ	SECURITY MTG	AS	7.25	'82	35.0	89.50	-0.5	8
CNEI-C	NY	6.50	'82F	30.0	68.00	-6.1	9	SECURITY MTG-C	OC	6.00	'82	5.3	84.00	16.7	7
CONT ILL RLY-B	NY	7.63	'79	25.0	97.28	-0.6	7	SO ATLANTIC-C#	NY	6.75	'82F	16.9	79.88	3.1	8
DOMINION MTG-C	OC	8.00	'87	11.0	61.00	1.7	VJ	STATE MUT INV-B	NY	9.00	'80F	6.2	96.63	0.7	9
FIRST MTG INV-A	OC	6.75	'82	8.9	80.00	6.7	8	TRECO-C	OC	6.75	'91	5.3	56.00	1.8	12
FIRST VA MTG-A	OC	4.00	'80	14.9	81.00	-1.1	4	TRI-SOUTH MTG-B	NY	7.75	'80F	11.4	95.38	-0.3	8
FIRST VA MTG-BM	OC	12.00	'80	5.0	89.00	1.1	13								
GMR PROPERTIES-B	AS	7.70	'80	5.1	97.50	0.0	7								
GREAT AMER MONT-B	PS	8.50	'80	15.3	73.50	2.8	11								
GREAT AMER MONT-C	OC	3.00	'90	15.0	47.00	-5.9	6								
GROWTH RLY-C	NY	6.75	'82	9.2	81.25	-3.2	8								
GUARDIAN MTG-B	PH	7.50	'79F	25.0	50.00	0.0	VJ								
GUARDIAN MTG-C	PH	6.75	'86F	8.6	39.00	0.0	VJ								
IDS REALTY-H	OC	---	---	86.0	70.00	12.9	NC								
INST INVESTOR-B	OC	8.25	'87	15.2	68.00	3.0	12								
INSTITNL INV-B	NY	7.88	'80	5.5	93.63	-0.3	8								
METROPLEX-B	OC	7.75	'79F	9.6	75.00	5.6	0								
MIDLAND MTG-B	NY	8.00	'80	14.9	94.63	-0.6	8								

DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-3% TO 9/30/82, 7% AFTER. M-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-FIVE SERIES. A-E: 6-7/8%, 7-1/8%, 7-3/8%, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION. X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT. #MAY BE USED AT PAR TO EXERCISE WARRANTS. F-TRADES FLAT, WITHOUT ACCRUED INTEREST.

RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON ANN	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)	
PROPERTY TRUSTS-OVER \$25M ASSETS														
2	AMER EQUITY IT#	OC-AEQTS	2497	11.08	1.30 JUN	1.36	12.50	22.0	56.3	9.2	10.4	12.8	12.3	31.2
NR	CMNWLTH RLTY #	OC-CRTRYC	1305	10.03	0.80 MAY	0.77	9.25	5.7	-2.6	12.0	8.6	-7.8	7.7	12.1
3	CONSOL CAP RLY#	OC-CCPLS	1989	24.80	2.06 MAY	2.24	28.50 X	-2.8	14.0	12.7	7.2	14.9	9.0	56.7
2	DENVER REIA#	OC-DENVS	1101	17.12	1.00 JUN	1.68	18.25 X	10.4	73.8	10.9	5.5	6.6	9.8	20.1
1	FEDERAL REALTY#	AS-FRT	1434	13.87	1.40 JUN	1.00	17.13	-0.7	15.1	17.1	8.2	23.5	7.2	24.6
1	FIRST UNION #	NY-FIR	4929	16.60	1.20 JUN	1.28	16.63	-2.2	54.7	13.0	7.2	0.2	7.7	82.0
1	FLORIDA GULF#	OC-FGLFS	997	20.19	1.28 APR	1.40	17.25 X	13.4	46.8	12.3	7.4	-14.6	6.9	17.2
3	GENERAL GROWTH#	NY-GGP	6202	11.31	1.56 JUN	1.76	43.50 X	-2.5	64.9	24.7	3.6	284.6	15.6	269.8
2	GOULD INVESTOR#	AS-GTR	1170	18.83	1.20 JUN	1.64	13.88 X	-1.4	60.8	8.5	8.6	-26.3	8.7	16.2
2	GREIT REALTY	AS-GRT	998	11.39	0.40 JUL	0.72	10.50	2.4	47.3	14.6	3.8	-7.8	6.3	10.5
2	HUBBARD REI	NY-HRE	4004	24.86	1.72 JUL	1.84	17.75 X	-3.7	10.0	9.6	9.7	-28.6	7.4	71.1
2	NEW PLAN RLTY#	AS-NPR	7041	6.10	0.84 APR	0.72	9.25 X	-8.0	0.0	12.8	9.1	51.6	11.8	28.1
1	PENN REIT	AS-PEI	1561	14.05	1.65 MAY	2.16	22.38	0.6	37.7	10.4	7.4	59.3	15.4	34.9
2	REIT OF AMERICA	AS-REI	1633	22.59	1.60 AUG	1.63	21.00	1.2	34.4	12.9	7.6	-7.0	7.2	34.3
2	SAN FRAN RE #	AS-SFI	1387	25.03	1.60 JUN	1.72	22.88	-2.6	23.7	13.3	7.0	-8.6	6.9	31.7
NR	UNIVERSITY REI #	OC-URETS	2514	9.00	0.96 MAR	0.32	9.00 X	-6.9	-8.9	28.1	10.7	0.0	3.6	22.6
NR	USP REIT #	OC-USPTS	2500	9.25	0.68 DEC	0.69	8.00	-5.9	3.2	11.6	8.5	-13.5	7.5	20.0
2	VIRGINIA REI#	OC-VARES	1017	14.45	0.80 JUN	0.72	13.25	1.9	12.8	18.4	6.0	-8.3	5.0	13.5
2	WASH REIT #	AS-WRE	1519	18.44	2.12 JUN	2.36	30.38 X	3.0	44.7	12.9	7.0	64.8	12.8	46.1
GROUP AVERAGE			2200	15.74	1.27	1.37	17.96	1.7	31.9	13.1	7.1	14.1	8.7	842.7
PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS														
NR	GENERAL RE SHS	OC-GRELS	557	7.69	1.21 JUN	0.92	12.50	-3.8	66.7	13.6	9.7	62.5	12.0	7.0
1	HOTEL INVESTOR#	AS-HOT	1679	19.61	2.00 MAY	3.16	20.13	-0.6	26.8	6.4	9.9	2.7	16.1	33.8
NR	PITTS & W VA RR	AS-PW	1510	23.08	0.56 JUN	0.72	5.75 X	-3.9	0.0	8.0	9.7	-75.1	3.1	8.7
NR	RE INV PROPS #	OC-REIPS	959	8.59	1.28 JUN	1.48	10.75	2.4	-2.3	7.3	11.9	25.1	17.2	10.3
NR	REIT OF CALIF	OC-RTCAL	550	9.32	1.28 JUN	1.48	16.00	6.7	6.7	10.8	8.0	71.7	15.9	8.8
NR	TERRYDALE R#	OC-TRYLS	336	23.36	1.80 JUN	2.28	20.50	6.5	46.4	9.0	8.8	-12.2	9.8	6.9
NR	US EQUITY & MTG	OC-USPM	1254	3.24	0.80 APR	1.04	9.50	-9.5	35.7	9.1	8.4	193.2	32.1	11.9
GROUP AVERAGE			978	13.56	1.28	1.58	13.59	2.5	25.0	8.6	9.4	0.3	11.7	87.4
PROPERTY TRUSTS-SUBOR LAND LEASEBACK														
2	ICM REALTY	AS-ICM	3011	15.53	0.50 AUG	1.56	11.88	-1.0	39.8	7.6	4.2	-23.5	10.0	35.8
2	JMB REALTY	OC-JMBRS	510	19.71	2.00 MAY	2.16	20.00	0.0	31.1	9.3	10.0	1.5	11.0	10.2
2	PROPERTY CAPITL	AS-PCL	2065	13.73	1.44 JUL	1.44	15.00 X	5.0	36.4	10.4	9.6	9.2	10.5	31.0
GROUP AVERAGE			1862	16.32	1.31	1.72	15.63	3.5	34.9	9.1	8.4	-4.3	10.5	77.0
PROPERTY & MTG COMBINATION														
2N	API TRUST	OC-APIIS	1012	7.15	0.00 DEC	0.03	2.13	-14.8	0.0	71.0	0.0	-70.2	0.4	2.2
2	BANKAMER RLTY	OC-BRLTS	3547	17.28	1.20 JUL	1.18	19.00 X	5.8	83.0	16.1	6.3	10.0	6.8	67.4
2N	BRT REALTY	AS-BRT	1400	2.17	0.00 MAY	0.00	1.50	-8.0	20.0	0.0	0.0	-30.9	0.0	2.1
1	CONN GEN M&R#	NY-CGM	5738	20.52	2.00 JUN	2.46	25.00	-3.8	38.9	10.2	8.0	21.8	12.0	143.5
2	FLATLEY RLTY #	OC-FLTLS	1000	9.88	0.30 JUN	0.92	6.00 X	14.5	60.0	6.5	5.0	-39.3	9.3	6.0
2	IRT PROP CO #	AS-IRT	2330	11.97	0.60 MAY	1.04	10.25	2.5	38.9	9.9	5.9	-14.4	8.7	23.9
2	MILLER HENRY S	OC-HSMTS	560	18.68	1.20 MAY	1.54	16.50	6.5	32.0	10.7	7.3	-11.7	8.2	9.2
1	MORTGAGE GRO #	AS-MTG	2644	11.86	0.96 MAY	0.88	9.75	-4.9	41.7	11.1	9.8	-17.8	7.4	25.8
2	PACIFIC-RLTY#	AS-PTR	840	22.21	1.00 MAY	2.17	22.75 X	24.3	63.9	10.5	4.4	2.4	9.8	19.1
2	PROP TR AMER#	OC-PTRAS	2338	9.02	0.40 JUN	0.44	6.13	0.0	32.4	13.9	6.5	-32.0	4.9	14.3
2	REALTY INCOME	AS-RTI	1591	10.54	1.40 JUL	0.00	11.00 X	-7.3	0.0	0.0	12.7	4.4	0.0	17.5
3N	RIVIERE RLTY #	OC-N/A	783	13.91	0.00 JUN	0.00	5.50	15.8	-5.5	0.0	0.0	-60.5	0.0	4.3
2	WELLS FARGO M&E	NY-WFM	3940	18.05	1.40 JUN	1.93	16.63	-3.6	46.1	8.6	8.4	-7.9	10.7	65.5
GROUP AVERAGE			2133	13.33	0.80	0.97	11.70	4.4	39.6	12.1	6.9	-12.2	7.3	400.8
SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR														
1	BAYSWATER RLTY	OC-BRITS	1043	15.65	0.05 APR	0.35	11.00	-6.4	46.7	31.4	0.5	-29.7	2.2	11.5
2	CENTRAL MTG	OC-CMRTS	775	13.79	0.40 JUN	1.16	10.50	11.9	104.7	9.1	3.8	-23.9	8.4	8.1
2	FIRST CONTRL	OC-FCRES	2106	10.48	1.12 AUG	1.28	8.75	-2.8	9.4	6.8	12.8	-16.5	12.2	18.4
3	FRASER MTG	OC-FRASS	1038	16.58	1.12 AUG	1.08	10.50	-10.6	0.0	9.7	10.7	-36.7	6.5	10.9
2N	HANOVER SO RLTY	AS-HSQ	946	11.17	0.00 MAY	0.00	7.13	-13.6	1.9	0.0	0.0	-36.2	0.0	6.7
2	LOMAS & NETLITN	NY-LQM	3700	27.86	2.20 JUN	2.20	19.13	-6.1	24.4	8.7	11.5	-31.3	7.9	70.8
2	M&T MORTGAGE	OC-MTMIS	1482	10.53	1.60 MAY	1.80	13.75	1.9	50.6	7.6	11.6	30.6	17.1	20.4
1N	MTG TRST AMER	NY-MT	3860	13.77	0.00 MAY	0.62	7.63	-4.6	27.2	12.3	0.0	-44.6	4.5	29.5
2	NATIONWIDE RE	OC-NRELS	1047	24.40	0.28 JUN	0.28	15.75 X	0.4	26.0	56.3	1.8	-35.5	1.1	16.5
2	SUTRO MTG INV	NY-SUT	2322	15.65	1.00 JUN	0.86	10.50	-8.7	27.3	12.2	9.5	-32.9	5.5	24.4
2	WESTERN MTG	BO-WMTGS	1003	8.22	0.20 MAY	0.26	4.94	1.2	46.2	19.0	4.0	-39.9	3.2	5.0
GROUP AVERAGE			1757	15.28	0.72	0.90	10.87	-2.2	28.9	12.1	6.7	-28.9	5.9	222.2
LONG-TERM MTGS & PROPERTIES														
2N	BT MTG INVSTRS	NY-BTM	2116	0.99	0.00 JUN	3.79	2.50	-9.1	100.0	0.7	0.0	152.5	382.8	5.3
NR	DEL-VAL FIN CP*	OC-DVALS	1345	9.36	1.44 JUN	1.40	11.00 X	-1.2	4.8	7.9	13.1	17.5	15.0	14.8
3	EQUIT LF MTG	NY-EQ	5663	23.39	2.00 JUL	1.88	17.25	-10.4	3.0	9.2	11.6	-26.3	8.0	97.7
1	HOSPITAL MTG#	AS-HMG	1178	23.45	0.60 MAY	0.86	13.13	3.0	50.1	15.3	4.6	-44.0	3.7	15.5
1	MASSMUTUAL MTG	NY-MML	4670	19.76	1.40 JUL	1.45	13.25 X	0.7	6.0	9.1	10.6	-32.9	7.3	61.9
2	MONY MTG INV	NY-MYM	8952	9.79	0.92 AUG	0.92	9.00	2.9	18.0	9.8	10.2	-8.1	9.4	80.6
3	NOWSTRN MUT MT	NY-NML	4758	19.06	1.00 JUN	1.08	11.13	-3.2	11.3	10.3	9.0	-41.6	5.7	53.0
1	PACIFIC SO MTG	OC-PSMTS	800	12.08	1.20 JUN	0.97	9.00	0.0	30.8	9.3	13.3	-25.5	8.0	7.2
2	PNB MTG & RLTY	NY-PNI	2437	19.11	1.08 JUN	1.04	10.50	-12.5	25.3	10.1	10.3	-45.1	5.4	25.6
3	REALTY REFUND	NY-RRF	1377	17.34	1.60 JUL	1.60	12.75 X	-11.6	-1.9	8.0	12.5	-26.5	9.2	17.6
2	RLTY & MTG PAC	OC-RPACS	1890	18.23	1.60 AUG	1.80	16.50	-2.3	34.7	9.2	9.7	-9.5	9.9	31.2
1N	SECURITY MTG	AS-SMO	7412	5.86	0.00 JUN	0.14	4.13	-5.7	22.2	29.5	0.0	-29.5	2.4	30.6
1	UNITED REALTY	AS-URT	3610	17.61	0.88 MAY	0.84	11.00	1.1	35.3	13.1	8.0	-37.5	4.8	39.7
GROUP AVERAGE			3554	15.08	1.06	1.37	10.86	-2.4	18.2	7.9	9.7	-28.0	9.1	480.7
MTG & FORECLOSED PROPERTY-MISC SPONSOR														
2N	Y CMT INVSTMT	OC-CMTIS	2030	2.96	0.00 JUN	0.13	2.81	-2.4	87.3	21.6	0.0	-5.1	4.4	5.7
4N	HEITMAN MTG	AS-HTM	3292	1.41	0.00 JUN	0.00	2.75	-8.3	99.3	0.0	0.0	95.0	0.0	9.1
3N	MISSION INV TR	AS-MIT	1812	5.95	0.00 AUG	0.99	7.25	7.4	56.6	7.3	0.0	21.8	16.6	13.1
3N	NORTH AMER MTG	NY-NAM	6901	5.80	0.00 JUN	0.00	4.38	-10.2	59.3	0.0	0.0	-24.5	0.0	30.2
GROUP AVERAGE			3509	4.03	0.00	0.28	4.30	-1.8	67.5	15.3	0.0	6.6	6.9	58.1



RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON ANN	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)													
5N	AMER REALTY	OC-ARB	2222	3.14	0.00	JUN	0.10 ↑	3.13	4.3	56.5	31.3	0.0	-0.3
3N	BAY COLONY PROP	NY-BAY	3315	6.28	0.00	MAY	0.01	9.75	41.7	143.8	975.0	0.0	55.3
3N	CITIZENS GROWTH	OC-CITGS	811	7.01	0.00	APR	0.04	4.50	0.0	63.6	112.5	0.0	-35.8
2	FRANKLIN RLTY	AS-FR	999	8.19	0.06 ↑	MAR	0.17	10.25	7.9	105.0	60.3	0.6	25.2
1N	INDIANA FCL INV	OC-IFLI	1154	9.19	0.00	JUN	0.00 ↓	6.50	0.0	85.7	0.0	0.0	-29.3
2	KENILWORTH RL	NY-KRT	2609	21.81	0.40	MAY	1.03	29.88	0.0	165.6	29.0	1.3	37.0
2N	SAUL (BF) REIT	NY-BFS	5893	4.33	0.00	JUN	0.22	8.38	-2.9	31.3	38.1	0.0	93.5
2N	US REALTY #	NY-UTY	3424	14.33	0.00	JUN	0.56	9.13	-5.2	87.1	16.3	0.0	-36.3
2N	WALTER REALTY	OC-WALJS	1035	7.93	0.00	JUL	0.31 ↑	6.00	0.0	29.6	19.4	0.0	-24.3
2	WISCONSIN REIT	OC-WREIS	1514	5.15	0.04	JUN	0.14 ↑	4.88	8.4	199.4	34.9	0.8	-5.2
GROUP AVERAGE		2298	8.74	0.05	0.26	9.24	4.0	100.8	35.8	0.5	5.8	3.0	232.9
MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT													
2N	ATLANTA NATL	PH-ATNAS	1273	8.70	0.00	MAY	0.00	4.75	-11.7	18.8	0.0	0.0	-45.4
2N	BARNES MTG INV	OC-BARNB	1910	9.03	0.00	JUN	0.00	2.88	15.2	53.2	0.0	0.0	-68.1
4N	BUILDERS INV	OC-BULDS	2929	0.21	0.00	JUN	0.00	2.19	-5.2	-8.0	0.0	0.0	942.9
2N	CAPITAL MTG	PH-CMU	1675	-0.73	0.00	JUN	0.00	1.25	0.0	42.0	0.0	0.0	-0.0
5N	VJCITIZENS MTG	OC-CZM	1421	-17.17	0.00	SEP	0.00	0.38	0.0	52.0	0.0	0.0	-0.0
1N	COMPASS INV GP	OC-CMPSS	3300	3.86	0.00	JUN	0.05 ↑	1.50	8.7	20.0	30.0	0.0	-61.1
3N	VJCONTINENTAL MTG	OC-CMI	20838	-6.54	0.00	SEP	0.04	0.40	-11.1	110.5	10.0	0.0	-0.0
2N	DIVERSIFIED MTG	NY-DMG	7326	8.12	0.00	JUN	0.00	5.50	10.0	51.5	0.0	0.0	-32.3
3N	VJDOMINION M&R	OC-DMRTS	639	-9.45	0.00	MAY	0.00 ↓	1.75	26.8	98.9	0.0	0.0	-0.0
1N	EASTOVER CORP	OC-EASTS	1034	13.23	0.00	JUN	0.34	12.00	-4.0	60.0	35.3	0.0	-9.3
2N	FIRST CAROLINA	OC-FCARS	1510	14.72	0.00	JUN	0.13	8.75	-1.5	7.6	67.3	0.0	-40.6
2N	FIRST MORTGAGE	OC-FMTGS	8495	-5.72	0.00	APR	0.07	1.56	-17.0	147.6	22.3	0.0	-0.0
2N	FIRST NEWPORT R	OC-FNRRS	2339	3.66	0.00	JUL	0.15 ↑	3.13	-7.4	126.8	20.9	0.0	-14.5
3N	FIRST VIR REIT	OC-FVM	1208	7.44	0.00	MAR	0.74	4.50	2.7	226.1	6.1	0.0	-39.5
1N	Y GREAT AMER M&I	OC-GAMI	7372	-0.94	0.00	APR	0.00	3.63	-3.2	855.3	0.0	0.0	-0.0
2N	GROWTH RLTY	NY-GRW	2059	6.84	0.00	JUN	0.03 ↑	5.25	-4.5	31.3	175.0	0.0	-23.2
3N	VJGUARDIAN MTG	PH-GMI	3000	-11.76	0.00	MAY	0.74	1.38	5.3	146.4	1.9	0.0	-0.0
2N	HAMILTON INV	OC-HAMTS	2175	5.36	0.00	JUN	0.00	4.13	0.0	106.5	0.0	0.0	-22.9
2N	INSTITUTIONAL	NY-INV	6798	1.18	0.00	JUL	0.00	1.75	7.4	-12.5	0.0	0.0	48.3
2N	KENTUCKY PROPTY	OC-KMTGS	1100	3.22	0.00	MAY	0.20	2.75	-4.5	29.1	13.8	0.0	-14.6
5N	Y LIFETIME COM	OC-LFTMS	6666	3.10	0.00	JUL	0.16 ↑	1.00	-11.5	58.7	6.3	0.0	-67.7
2N	LINCOLN MTG	OC-LNMGS	1155	0.72	0.00	JUN	0.00	2.50	-9.1	33.0	0.0	0.0	247.2
1N	MARYLAND REALTY	OC-MDRTS	760	8.43	0.00	MAY	0.00	4.63	0.0	45.6	0.0	0.0	-45.1
3N	Y METROPLEX RLTY	OC-JMI	11840	0.95	0.00	JUN	0.05 ↑	0.63	0.0	65.8	12.6	0.0	-33.7
2N	MIDLAND MTG	NY-MMT	2382	0.16	0.00	MAR	0.00	3.88	3.5	121.7	0.0	0.0	2325.0
1N	MORAGA CORP	OC-MORA	1355	7.88	0.00	APR	0.97	6.75	10.1	115.7	7.0	0.0	-14.3
3N	MTG INV WASH	OC-MINV	2146	3.79	0.00	JUN	0.02 ↑	2.75	4.6	57.1	137.5	0.0	-27.4
4N	Y NATIONAL MTG	OC-NMF	3707	2.17	0.00	MAY	0.16	1.19	0.0	63.0	7.4	0.0	-45.2
3N	NEWCORP INC	NY-NWC	3854	1.39	0.00	MAY	0.48	2.50	-9.1	-4.9	5.2	0.0	79.9
3N	Y NJB PRIME INV	OC-NJBSS	1852	3.93	0.00	MAY	11.54	3.38	-15.5	238.0	0.3	0.0	-14.0
5N	PLAZA REALTY	OC-PRISS	1114	0.82	0.00	MAR	0.00	1.88	0.0	113.6	0.0	0.0	129.3
3N	REPUBLIC MTG	NY-RMI	2107	2.90	0.00	JUN	0.00	1.88	0.0	36.2	0.0	0.0	-35.2
2N	SOUTH ATLANTIC	NY-SAT	2706	3.73	0.00	JUL	1.05 ↑	4.50	-5.3	50.0	4.3	0.0	20.6
2N	TEXAS FIRST MTG	OC-TFMRS	1055	8.00	0.00	JUN	0.13	5.88	6.9	96.0	45.2	0.0	-26.5
2N	TIERCO	OC-TIERS	1186	6.97	0.00	JUN	0.56	5.13	-4.6	95.1	9.2	0.0	-26.4
2N	TRECO INC	OC-TRECS	2299	1.24	0.00	JUN	0.08	1.69	8.3	59.4	21.1	0.0	36.3
4N	UMET TRUST	NY-UAT	2109	0.19	0.00	MAY	0.00	2.88	4.7	53.2	0.0	0.0	1415.8
2N	WESTPORT CO	OC-WSPTS	2388	4.51	0.00	JUL	0.00	5.38	28.4	120.5	0.0	0.0	19.3
GROUP AVERAGE		3397	2.48	0.00	0.47	3.36	0.1	62.3	7.2	0.0	35.8	18.8	310.9
MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR													
3N	AMER FLETCHER M	OC-AFM	1352	1.37	0.00	APR	0.00	2.63	31.5	61.3	0.0	0.0	92.0
1N	CAMERON-BROWN	NY-CB	2016	9.52	0.00	JUN	0.86	5.50	-2.3	109.1	6.4	0.0	-42.2
5N	VJCHASE MAN MTG	OC-CMR	5198	-5.94	0.00	MAY	0.28 ↑	1.13	6.6	126.0	4.0	0.0	-0.0
NR	CITINATL DEV	OC-N/A	600	13.24	0.00	JUN	0.06 ↑	8.75	9.4	16.7	145.8	0.0	-33.9
3N	CITIZENS&SO RLTY	NY-CZS	5443	1.59	0.00	MAR	0.00	2.00	-11.1	77.0	0.0	0.0	25.8
1	CLEVELAND TRUST	OC-CTRIS	2525	10.77	0.20	JUN	0.15	7.88 X	2.3	110.1	52.5	2.5	-26.8
1N	FIDELCO GROWTH	AS-FGI	1580	8.04	0.00	MAY	1.22	6.63	10.5	60.5	5.4	0.0	-17.5
2N	FIRST DENVER MT	OC-FDENS	1621	7.48	0.00	JUN	0.07	4.25	-3.0	99.5	60.7	0.0	-43.2
2N	FIRST MEMPHIS	OC-FMEMS	1156	7.55	0.00	MAY	0.71 ↓	4.75	-19.2	72.7	6.7	0.0	-37.1
3N	FIRST PENN MTG	NY-FPM	2961	1.34	0.00	APR	0.00	2.63	0.0	75.3	0.0	0.0	96.3
3N	FIRST WISCONSIN	OC-FWMTS	1988	5.43	0.00	JUN	0.01 ↑	6.25	-19.4	117.0	625.0	0.0	15.1
4N	INDEPENDENCE MT	OC-IMTGS	2500	-3.82	0.00	MAR	0.05	3.00	9.1	200.0	60.0	0.0	-0.0
1N	TRI-SOUTH MTG	NY-TSI	2597	5.62	0.00	JUN	1.90	3.50	-3.6	55.6	1.8	0.0	-37.7
2N	WACHOVIA RLTY	NY-WRI	3335	9.03	0.00	MAY	0.00	6.50	15.5	67.5	0.0	0.0	-28.0
GROUP AVERAGE		2491	5.09	0.01	0.38	4.67	0.2	73.7	12.3	0.3	-8.2	7.5	138.1
MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS													
2N	AMER CENTURY MI	NY-ACI	2607	5.38	0.00	JUN	0.32	6.00	-9.5	91.7	18.8	0.0	11.5
3N	CI MTG GROUP	PH-CI	4812	6.88	0.00	JUL	0.44 ↓	6.88	-1.7	129.3	15.6	0.0	0.0
1N	GMR PROP	NY-GMR	2957	2.40	0.00	MAY	0.00	3.50	-6.7	86.2	0.0	0.0	45.8
2N	IDS REALTY	OC-IDR	2409	6.14	0.00	APR	1.81	3.63	0.0	163.0	2.0	0.0	-40.9
2N	STATE MUTUAL	NY-SMU	2786	9.11	0.00	JUN	0.19	5.00	5.3	14.2	26.3	0.0	-45.1
GROUP AVERAGE		3114	5.98	0.00	0.55	5.00	-2.9	81.6	9.1	0.0	-16.4	9.2	81.6
PREFERRED STOCK & REIT FUNDS													
NR	QMT INV TR-PFD	OC-QMTIP	2149	7.50 L	0.00	JUN	0.13	2.75	-4.5	15.5	21.2	0.0	-63.3
NR	RET INCOME	AS-RET	3794	3.93 N	0.00	MAR	0.14	3.13	0.0	56.5	22.4	0.0	-20.4
NR	RET-\$4.38 PFD	AS-RETPR	575	51.63 C	4.38	---	0.00	45.00	-1.6	5.9	0.0	9.7	-12.8
NR	CYPRUS CORP	AS-SGO	1425	1.80 N	0.00	OCT	0.00	3.25	36.6	62.5	0.0	0.0	80.6
NR	CYPRUS-PFD	AS-SGOF	660	21.15 C	1.70	---	0.00	15.13	-3.9	10.0	0.0	11.2	-28.5
NR	TRECO-PFD A I	OC-N/A	779	1.00 L	0.00	---	0.00	1.00	0.0	58.7	0.0	0.0	0.0
NR	TRECO-PFD AII	OC-N/A	260	1.00 L	0.00	---	0.00	0.25	0.0	0.0	0.0	0.0	-75.0
GROUP AVERAGE		1377	12.57	0.87	0.04	10.07	1.3	11.0	261.1	8.6	-19.9	0.3	59.2

\* GROSS CASH FLOW. # NET CASH FLOW, SEE P. 6. TRUSTS REPORTED ON A CASH FLOW BASIS AND DENOTED WITH "G" or "N" SYMBOL. BOOK VALUE INCLUDES ACCUMULATED DEPRECIATION. ARROWS DENOTE NEW EARNINGS OR DIVIDENDS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS AND NON-RECURRING ITEMS NOT ANNUALIZED. -0.0 IN % PRICE TO BOOK INDICATES NEGATIVE BOOK VALUE. PH-PHILADELPHIA EXCHANGE. PS-PACIFIC EXCHANGE. BO-BOSTON EXCHANGE. NR-NOT RANKED. VJ-IN BANKRUPTCY REORGANIZATION. Y-CHAPTER XI REORGANIZATION COMPLETED. BID PRICES SHOWN FOR ALL OVER THE COUNTER STOCKS. AMERICAN EQUITY, ICM REALTY AND WISCONSIN REIT DIVIDENDS TRAILING 12 MONTHS. L-LIQUIDATING VALUE. N-NET ASSET VALUE. C-CALL PRICE. NR-NOT RANKED. TRECO PRD, SERIES I CONVERTIBLE AT \$1.62

NAME CHANGE: C I REALTY CHANGED TO KENILWORTH REALTY; S-G SECURITIES CHANGED TO CYPRUS CORP.

EARNINGS SHOWN FOR CITIZENS MTG AND CONTINENTAL MTG ARE FOR SEPTEMBER 1978.

# CONVERTIBLE DEBENTURES

DEBENTURE	EX	MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE
ALAMAND CORP	OC	'91F	6.50	27.75	67.00	9.7	19.6	18.59	6.75
AMER CENTURY	AS	'90	7.00	21.00	66.25	10.6	0.4	13.91	6.00
AMER CENTY'B	NY	'91	6.75	28.00	62.00	10.9	-6.0	17.36	6.00
AMER REALTY	OC	'84F	7.00	10.40	74.00	DEF	2.8	7.69	3.13
BANKAMERICA	OC	'90	6.75	21.00	86.00	7.8	1.2	18.06	19.00
BAYSWATER	OC	'91	6.75	21.00	64.00	10.5	-1.4	13.44	11.00
CAPITAL MTG	OC	'91	6.50	33.00	55.00	11.8	-1.7	18.15	1.25
CHASE MANHTN	OC	'96F	6.50	55.00	50.00	VJ	0.0	27.50	1.13
CHASE MANHTN	OC	'97	11.63	2.25	50.00	VJ	0.0	1.12	1.13
COMPASS GP	OC	'98F	8.25	1.35	111.00	7.4	0.9	1.49	1.50
CONN GENERAL	NY	'96	6.00	32.50	78.50	7.6	-1.8	25.51	25.00
CONTINL MTG	OC	'90	6.25	19.79	46.00	VJ	9.5	9.10	0.40
EQUITBL LF M	NY	'90	6.75	26.25	76.25	8.9	-2.1	20.01	17.25
FIRST NEWPT	OC	'91F	6.75	27.50	54.00	12.5	-1.7	14.85	3.13
FIRST PENN M	OC	'91F	6.75	8.65	53.00	12.7	-3.5	4.58	2.63
FRANKLIN RLY	AS	'89	7.00	10.00	105.00	6.7	6.9	10.50	10.25
HANOVER SQ R	AS	'92	7.25	21.00	76.00	9.5	-4.9	15.96	7.13
HEITMAN MTG	AS	'92	7.50	14.70	67.25	11.2	-3.8	9.88	2.75
HOTEL INVSTR	OC	'90	7.75	21.00	96.00	8.1	0.0	20.16	20.13
HOTEL INVSTR	OC	'91	7.50	25.25	77.00	9.7	2.7	19.44	20.13
LINCOLN MTG	OC	'90	8.00	11.00	60.00	13.3	0.0	6.60	2.50
MASSMUTL MTG	NY	'90	6.75	21.00	78.00	8.7	2.6	16.38	13.25
MASSMUTUAL M	NY	'91	6.25	33.50	73.50	8.5	-0.1	24.62	13.25
MIDLAND MTG	OC	'86	7.00	16.67	54.00	13.0	3.8	9.00	3.88
MONY MTG IN	NY	'90	7.00	11.00	81.00	8.6	-1.1	8.91	9.00
MTG INV WASH	OC	'90	8.00	15.00	64.00	12.5	-1.4	9.60	2.75
NEWSTRN MUTL	NY	'91	6.00	21.00	72.13	8.3	0.2	15.14	11.13
PAC REAL TR	AS	'92	7.00	26.25	80.25	8.7	1.6	21.06	22.75
RAM PACIFIC	OC	'91	6.75	21.00	75.00	9.0	-2.5	15.75	16.50
REALTY INCOM	AS	'91	8.00	18.00	75.50	10.6	-0.6	13.59	11.00
REPUBLIC MI	NY	'90	9.00	19.00	95.63	9.4	0.0	18.16	1.88
SAUL (BF) RL	OC	'91	6.50	23.00	66.00	9.8	-2.8	15.18	8.38
SAUL(BF) REI	OC	'90	8.00	15.50	75.00	10.7	-6.2	11.62	8.38
STATE MUTUAL	AS	'91	6.75	21.00	70.00	9.6	2.2	14.70	5.00
SUTRO MIT	NY	'82	6.75	20.00	86.88	7.8	-1.2	17.37	10.50
SUTRO MTG	AS	'91	6.75	20.00	73.00	9.2	-1.6	14.60	10.50
TRECO	OC	'98	8.50	1.62	106.00	8.0	6.0	1.71	1.69
TRI-SO / SR	PH	'88	10.00	2.50	140.00	7.1	0.0	3.50	3.50
TRI-SOUTH MI	NY	'92F	7.00	29.50	67.50	10.4	12.5	19.91	3.50
US REALTY IN	NY	'89	5.75	20.20	63.00	9.1	-5.9	12.72	9.13
WESTPORT CO	OC	'91	6.75	21.00	60.00	11.3	3.4	12.60	5.38

CONVERSION PARITY IS PRICE AT WHICH SHARES WOULD HAVE TO SELL TO JUSTIFY DEBENTURE PRICE. VJ=IN BANKRUPTCY REORGANIZATION. F=TRADES FLAT, WITHOUT ACCRUED INTEREST. DEF=IN DEFAULT. PH=PHILADELPHIA EXCHANGE. PS=PACIFIC EXCHANGE.

## WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
BARNES MTG	O-BARNW	12/82	1910	20.00	1.0	0.06	2.88	596.5	0.0	0.1
CAPITAL MTG	O-CHORW	11/79	471	15.35	1.0	---	1.25	---	0.0	0.0
CI MTG	PH-CI.W	3/80	2854	20.00	1.0	0.05	6.88	191.4	-16.6	0.1
CITIZNS&SO-B	PS-N/A	4/83	222	2.00	50.0	17.00	2.00	17.0	-2.8	3.8
FLATLEY RLTY	O-FLTLW	5/80	1000	10.00	1.0	0.50	6.00	75.0	0.0	0.5
JMB REALTY	O-JMBRW	8/82	510	20.00	1.0	2.25	20.00	11.3	-24.9	1.1
M&T MTG INV	O-MTMIZ	8/80	747	13.00	1.0	1.25	13.75	3.6	-9.3	0.9
MTG INV WASH	O-MINWV	3/80	931	15.00	1.0	0.03	2.75	446.5	0.0	0.0
NEWCORP	A-NWCW	2/82	740	24.63	1.0	0.31	2.50	897.6	24.0	0.2
SAN FRAN REI	A-SFIW	12/80	1348	25.00	1.0	2.25	22.88	19.1	-14.3	3.0
SUTRO MIT(B)	A-SUTW	6/82	700	20.00	1.0	1.00	10.50	100.0	6.4	0.7
UNITED RLTY	A-URTW	12/79	3610	20.00	1.0	0.09	11.00	82.6	50.0	0.3

\*DEBENTURES USABLE IN LIEU OF CASH.

WTS PRICE OF .01 INDICATES TRADING IN MILLS.

NOTE: BUYERS ARE CAUTIONED THAT SPREADS BETWEEN BID AND ASKED PRICES FOR WARRANTS ARE VERY LARGE AND PRICES MAY VARY SIGNIFICANTLY.

NO BID FOR CAPITAL MTG WARRANTS.

## HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

**Annualized Dividend and Yield:** Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

**Annualized Earnings and Price/Earnings Ratio:** For mortgage trusts, latest quarter earnings are multiplied by four. Zeroes indicate losses or no earnings for the quarter indicated. Losses per share are shown in RELATIVE APPEAL RANKINGS. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "\$" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "\$\*". Cash flow derived from amortization of debt discount is denoted by "@". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in RELATIVE APPEAL RANKINGS.

**Shares:** The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures, exercise of warrants, or common equivalents which may have been used in earnings per share computations.

**Book value per share** is essentially tangible net worth per share after deduction of intangible items such as debt discount, unamortized debt expenses, and goodwill if any. Book value does not reflect any changes in asset values through appreciation but does reflect deduction of a reserve for possible future investment losses computed under AICPA rules. Accumulated depreciation is added back to net book value for trusts whose results are reported on a cash flow basis (see above) and denoted with the "\$" symbol, as a means of approximating market value of properties. Components of this adjusted book value are reported in RELATIVE APPEAL RANKINGS.

## PROFILE OF REALTY TRUSTS AS OF SEPTEMBER 18, 1979

	Number	-----Invested Assets-----		% Non- and Low-earning	% Change in Month	Loss Reserve	Foreclosed Property	All Debt	Shareholders Equity	Depreciation	Taxloss Carryforward
		Non/Low-Earn.	Total								
PROPERTY.....	29	\$ 49M	\$ 1,778M	3%	-1.1%	\$ 24M	\$ 23M	\$1,155M	\$ 623M	\$254M	\$ 2.2M
PROPERTY & MTG.....	23	326	1,784	18	-5.1	47	152	1,249	518	147	120.1
SHORT/TERM MTG.....	11	115	708	16	-0.7	28	94	396	319	4	16.4
L/T MTG/PROPERTY....	13	188	1,662	11	-20.0	34	144	952	666	8	32.5
MTG/FORECLOSED PROP.	61	3,290	4,857	68	-5.1	807	2,280	3,743	332	69	1,843.3
TOTALS/AVERAGES....	137	\$3,969M*	\$10,789M	36%	-5.8%	\$ 940M	\$2,694M	\$7,494M	\$2,458M	\$482M	\$2,014.9M

\* Includes \$955M or 8.8% low-earning assets. M=Million.



## EARNINGS TRENDS: CONTINUED STRONG RENTAL MARKETS BOOST RESULTS FOR PROPERTY TRUSTS

The most recent earnings results tallied on page 8 demonstrate the strength of real estate markets across the boards in the current economic climate. Trusts with a potpourri of property types and locations are posting strong earnings with the sole common denominator being high occupancies and high rates. While most of the trusts have some interest rate vulnerability, their gains from operations have outstripped higher interest expenses, a measure of the attraction of real estate in an inflationary market, and an indication that the real vulnerability of the real estate trusts may be with lower interest rates purchased by trading off economic growth. Rental markets have remained strong, however, as have interest rates, despite the advent of the recession, and property trusts continue to reap the benefits.

GREIT Realty, for example, doubled its earnings in the July qtr. from the preceding qtr. to 18¢/sh., despite heavily depreciated properties and vacancies at its Dayton office. But higher occupancies overall combined with increased interest income on short term investments and higher overage rents from two net leased properties to boost results.

Flatley Realty reported earnings of 17¢/sh. in its June qtr., up 325% from the preceding qtr. and 42% from the year-earlier; its fiscal year earnings of 41¢/sh. climbed 173% from those of the preceding fiscal year. Flatley, the bulk of whose properties are located in Massachusetts, has benefited from high occupancy and judicious expansion of its portfolio, and recently purchased a 50% interest in a mobile home park in Florida.

With some two-thirds of its assets located in the exceptionally strong California and Hawaii markets, Realty & Mortgage Investors of the Pacific's earnings rose 45% to 45¢/sh. in the August qtr., reflecting an expanding rental portfolio, increased leasing at development partnership projects, and higher interest income from real estate loans, all of which far outweighed the high cost of some \$12.5 mil-

lion in commercial paper which the trust held at the beginning of the quarter.

Florida Gulf Realty posted an earnings gain of 24%, to 21¢/sh. before 2¢/sh. gain on the sale of real estate. While the trust's earnings have been somewhat restricted by vacancies resulting from disaffirmed leases by Food Fair and Neisner Bros., strong overage rents from other tenants have more than compensated. Releasing will help continued earnings improvement.

Mortgage Growth Investors' earnings jump of 38% to 22¢/sh. reflects the strong residential rental market. Over 60% of the trust's assets are apartment buildings, and earnings are benefiting from increasing residential occupancy ratios and higher rents which are closing the gap between rents and building costs. In the fourth quarter, the trust's new Michigan apartment project will begin to contribute to earnings; the removal of the trust's \$1.4 million New York City shopping center from non-earning status also will boost results.

Commonwealth Realty's May qtr. results showed a 111% jump in cash flow to 19¢/sh. before a 1¢/sh. sale gain., largely reflecting increased income from the trust's 60% partnership interest in an office park in Pennsylvania; the year-to-year improvement in earnings largely resulted from the sale of a non-earning Atlanta office building in the 1978 second half. Future results will benefit from resolution of the trust's problem property in Jamaica. Commonwealth is currently negotiating with new prospective lessees; it does not anticipate a loss on the investment. A small aside: in its most recent letter to its shareholders, Commonwealth took exception to the Forbes magazine article which estimated its book value at \$10/sh., stating that the trustees believe that book value exceeds that figure, although no improved estimate was suggested.

The 19% gain in earnings and cash flow posted by Real Estate Investment Properties in its June qtr., and the 15% and 12% re-

spective gains for the fiscal year resulted from room rate increases at the trust's six motor hotels in California. Hurt by the gasoline shortage, overall occupancy rates at the hotels were down; additionally, sales at the trust's restaurant facilities were flat or down.

ICM Realty's 77% gain in earnings to 39¢/sh. indicates the progress the trust has made in resolving problems. The trust has now disposed of or released several problem properties, and many of the new leases require the tenants to make capital improvements. While income from some of these properties is not imminent, the removal of the cash drains and

the reduction of debt have combined to improve ICM's performance.

The bulk of the nonqualified trusts and corporations also reported improved earnings in the most recent quarter, despite the greater vulnerability of many of the debt-laden troubled trusts to continued high interest rates. South Atlantic Financial Corp.'s widening deficit, for example, reflects the high cost of \$60 million in bank debt. But other of the trusts and companies are managing to maintain their margins, if not to turn a profit.

C.I. Mortgage Group's operations are currently in the black, with earnings of 5¢/sh. before special items reported for the July qtr. The trust has reduced its debt substantially through an asset swap program which was terminated in Feb., 1979; additionally the trust has earned interest forgiveness through meeting scheduled amortization payments. Currently bank debt is at 1%; operating results will be restricted by a jump to 5% following year-end.

American Realty Trust reported a 10¢/sh. profit for the June quarter as results improved on cost control efforts and a strong performance at the trust's Williamsburg Hospitality House, but uncertainties regarding the restructuring plan to result from the judgment against the trust on behalf of the holders of the 7% convertible and 9½% debentures limit appeal.

Walter Realty's improved results both for the July qtr. and fiscal year are attributable to the elimination of non-earning investments and the improved operations of other properties combined with sharply lower interest expense resulting from debt reduction. The operating profit enabled the trust to utilize 21¢/sh. in tax loss credit for the fiscal year.

Both Indiana Financial Investors and Growth Realty Companies reported operating deficits in their June fiscal years, compared with profits in the preceding year. The losses are partially attributable to substantial costs incurred in corporate restructure.

## New Earnings Reports

Trust-Period ended	-----Latest quarter-----	-Prev. Q-	-Yr.AgoQ-	-% Chng. From---
	Th.\$/Spec'l#	EPS/Spec'l#	EPS/Spec'l#	Prev.Q Yr.ago Q
Quarterly results: Qualified REITs:				
Commonwealth Rty., May-EPS	92/12G	0.09/1cG	0.01/1cG	Better* +167*
" " " " " " " " " "	197/12G	0.20/1cG	0.10/1cG	0.20/1cG +111* UC*
Del-Val Finl., Jun-EPS	471	0.35	0.35/1cG	0.33/1cG + 3* +21*
" " " " " " " " " "	485	0.36	0.36/1cG	0.34/4cG + 3* +20*
First Contntl., Aug....	678	0.32	0.36	0.26 -11 +23
Flatley Rty., Jun....	178	0.17	0.04	0.12 +325 +42
Florida Gulf, Jul....	230/23G	0.23/2cG	0.17	0.20/2cG +24* +17*
Fraser Mfg., Aug....	126	0.27	0.24	0.27 +13 UC
Genl. RE Shs., Jun....	126	0.23	0.19	0.14 +100 +64*
GREIT Realty, Jul....	180	0.18	0.09	0.14 +2 +7
Hubbard REI., Jul....	1,858	0.46	0.45	0.43 +2 +63
ICM Realty, Aug....	1,166	0.39	0.22	0.24 +77 +63
Mission Inv. Tr., Aug....	1,795	0.99	0.04	d0.005 +2375 Better
MassMutual Mfg., Jul....	1,623	0.37/1cR	0.39/6cRT	0.37/7cR + 9* +20*
MUNY Mortgage, Aug....	2,100	0.23	0.30/7cG	0.17 + 2* +35
Mtg. Growth Inv., Aug....	574	0.22	0.24/8cG	0.13 +38* +69
Pac. So. Mfg., Jun....	246	0.31/9cY	0.39/14cY	0.15 -12* +47*
RE Inv. Props., Jun-EPS	301	0.37	0.26	0.28 +19 +11
" " " " " " " " " "	353	0.37	0.31	0.33 +19 +12
RE Inv. Tr. Am., Aug....	700/46G	0.43/3cG	1.13/64cG	0.28 -18* +43
Rty. & Mfg. Pac., Aug....	853	0.45	0.34/3cX	0.29 +45* +55
Realty Inc. Tr., Jul....	4481	d0.30	N11	d0.32 Worse Better
Riviere Rty., Jun-EPS	d135	d0.17	0.12	0.16 Worse Worse
" " " " " " " " " "	d79	d0.10	0.17	0.24 Worse Worse
Terrydale Rty., Jun-EPS	181	0.54	0.63	0.39 -14 +38
" " " " " " " " " "	193	0.57	0.67	0.40 -15 +43
Quarterly results: Nonqualified trusts & corps:				
Amer. Rty. Tr., Jun....	230	0.10	0.04/11cG	0.03 Better* +233
Builders Inv. Gr., Jun....	1/2346SZ	N11/83cSZ	d0.35/17cSZ	d0.39 Better* Better*
C.I. Mtg. Group, Jul....	2,108/1891NI	0.44/39cNI	0.57/55cNS	d0.23 +150* Better*
Chase Mhntn Mtg., May....	1,396/d103L	0.28/d2cL	0.32/44cG	d1.26 Better* Better*
Citizenship Dev., Jun....	39/20N	0.06/3cN	0.04/1cN	0.29/15cN UC*
Compass Inv. Gr., Jun....	175/50NL	0.05/1cNL	d0.04	0.66/56cS Better*
Dominion M&R., May....	d104/15G	d0.17/2cG	d0.32/44cG	d1.26 Better* Better*
First Memphis, May....	264/79N	0.23/7cN	1.14/49cS	0.18/16cG -75* +700*
First Newport, Jul....	352/169N	0.15/7cN	0.10/5cN	0.14 +60* -43*
First Wisconsin, Jun....	33	0.01	N11	N11 Better Better
Growth Realty, Jun....	58	0.03	d0.62	1.15/d76cL Better -98*
Indiana Fincl., Jun....	d8	d0.01	0.41/62cG	0.37 Better* Worse
Institutional, Jul....	d1,739	d0.26	d0.31/4cZ	0.33/35cZ Better* Worse*
Lifeline Com., Jul....	1,062/332NZ	0.16/5cNZ	0.08/6cNZ	0.17/8cNZ +450* UC*
Lincoln Mtg., Jun....	d225	d0.19	d0.35/d1.12L	0.18/12cG Worse* Worse*
Mtg. Inv. Wash., Jun....	50/401G	0.02/18cG	d0.35	0.25/38cG Better* Worse*
South Atlantic, Jul....	2,851/4759SN	1.05/1.75SN	d0.37/22cSN	0.08/83cGY Worse* Better*
Walter Realty, Jul....	323/98N	0.31/9cN	d0.05/d3cN	0.67/1.01G Better* Better*
Westport Co., Jul....	d109	d0.045	d0.015	d0.03 Worse Worse
Annual results: All trusts & corps:				
Chase Mhntn Mtg., May....	d11217/3066G	d2.22/62cG	d5.76/1.83G	---
Dominion M&R., May....	639/498G	0.82/78cG	d0.60/7cG	---
Flatley Rty., Jun....	413	0.41	0.23/8cG	---
Growth Rty. Inv., Jun....	d2,542	d1.23	4.03/3.30G	---
Indiana Fincl., Jun....	421/715G	0.40/62cG	0.36	---
RE Inv. Props., Jun-EPS	1074	1.12	0.91/6ca	---
" " " " " " " " " "	1279	1.33	1.13/6ca	---
Walter Realty, Jul....	475/535NG	0.43/52cNG	d1.24/0.97G	---

UC=Unchanged, NM=Not meaningful, R=Restated, P=Preliminary, d=Deficit, b=Aft. pfd. divs.  
 \*--Special items included in both thousand dollar and share amounts are: G=Gain on sale of assets; I=Interest forgiveness; L=Loss on sale of assets; N=Net operating loss (NOL) benefit or charge; R=Recovery of past-due interest or prepayment fees; S=Swap of assets with banks; \*--Gain on market purchase of debt at discounts; W=Gain (loss) on mortgage refinancing; X=Settlement with adviser, sponsor, insurance company, or litigation with borrower; Y=Loss reserve credit; Z=Gain on debt restructuring via exchange or tender offers; a=Merger charge.

\*\* Comparisons are based upon earnings per share. Where loss is reported in one or both quarters, change in direction is shown as "Better" or "Worse."

\* Compared before special items.